

## Message Text

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62

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AGR-05 EB-07 TAR-01 SP-02 AID-05

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

COME-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 L-02 /087 W

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R 271420Z MAR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7909

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY BRUSSELS

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

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AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

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DEPT PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR

SUBJECT: FRENCH-ITALIAN "WINE WAR"

REF: ROME 4374

1. LARGE AND SOMETIMES VIOLENT DEMONSTRATIONS BY WINE PRODUCERS IN SOUTHERN FRANCE ARE SQUEEZING GOF OFFICIALS INTO AN UNCOMFORTABLE AND DIFFICULT POLITICAL POSITION. AS USUAL GOF OFFICIALS WANT TO UPHOLD CAP PRINCIPLES INCLUDING COMMUNITY PREFERENCE WHICH MEANS ACCESS FOR ITALIAN WINES. AT THE SAME TIME THEY FACE AN ANGRY GROUP OF WINE PRODUCERS WHO ARE DETERMINED TO FIND

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AN IMMEDIATE SOLUTION THROUGH BLOCKING ITALIAN WINE IM-

PORTS. AT LAST WEEK'S ANNUAL CONGRESS OF FNSEA, THE MAIN FRENCH FARMER SYNDICATE, AMONG DEMANDS PLACED ON GOF OFFICIALS WERE THE MAINTENANCE OF EC MEAT IMPORT BAN AND A BAN ON IMPORTS OF ITALIAN WINE. AGMINISTER BONNET RESPONDED FIRMLY AND VIGOROUSLY ON MAINTAINING A MEAT IMPORT BAN, BUT REGARDING A WINE IMPORT BAN BONNET CAUTIONED THAT THIS PROBLEM MUST BE APPROACHED WITHIN THE FRAMEWORK OF EC CAP REGULATIONS. HE STATED THAT ITALY IS AN EC MEMBER, AND FRANCE HAS NO RIGHT TO STOP IMPORTS FROM ITALY. BESIDES, AS BONNET STATED, ITALY IS THE NO. 1 CUSTOMER FOR FRENCH FARM PRODUCTS.

2. THE LONGER-TERM SOLUTION FORESEEN BY GOF OFFICIALS WHICH BONNET PROMISED HIS FARMER CONSTITUENCY LAST WEEK IS A STRENGTHENING OF CAP WINE REGULATIONS. FRANCE HISTORICALLY MAINTAINED MUCH STRONGER PRODUCTION AND MARKETING REGULATIONS THAN DID ITALY, AND THUS EC WINE CAP REGULATIONS WERE A COMPROMISE BETWEEN THE TWO COUNTRIES. BUT WITH THIS WEEK'S DEMONSTRATIONS GOF OFFICIALS ARE CONCERNED THAT LONG TERM SOLUTIONS WILL NOT BE SUFFICIENT TO CALM THE UNREST OF WINE FARMERS IN SOUTHERN FRANCE. THEY FRANKLY ADMIT THAT THEY DO NOT HAVE READY ANSWERS TO THE IMMEDIATE PROBLEM. ONE POSSIBLE SOLUTION IS AN EC AGREEMENT TO DISTILL LARGE QUANTITIES OF LOW QUALITY WINE WITH EC SUBSIDIES.

3. AGRICULTURAL UNREST HAS POSED A CONTINUING PROBLEM FOR GOF IN THE LAST YEAR. CURRENTLY THE HOTTEST PROBLEM IS WINE. THE MARKET FOR ALL FRENCH WINES AND CHAMPAGNE IS DEPRESSED BECAUSE OF LOWER DEMAND ASSOCIATED WITH WORLD ECONOMIC CONDITIONS AS WELL AS OVERPRODUCTION. THE ACUTE WINE PROBLEM WITH LARGE STOCK ACCUMULATIONS, HOWEVER, IS IN THE LOW QUALITY WINES PRODUCED IN SOUTHERN FRANCE WITH WHICH ITALIAN WINES COMPETE MOST DIRECTLY. SETE, THE CENTER OF CURRENT DEMONSTRATIONS, IS THE PRINCIPAL PORT OF IMPORTATION FOR ITALIAN WINES. IMPORTS THROUGH THIS PORT IN JANUARY AND FEBRUARY 1975 TOTLED 1.9 MILLION HECTOLITERS, ONLY ABOUT 20 PERCENT LESS THAN THE TOTAL OF 2.4 MILLION IN CY 1974.

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4. FRENCH FARMERS ARE CURRENTLY BLOCKING FRENCH PORTS AND ITALIAN WINE TANKERS CANNOT BE UNLOADED. ALSO, FRENCH WINE TRADE HAS DECIDED TO STOP ITALIAN WINE IMPORTS DURING ONE MONTH. PER REFTEL THESE ACTIONS ARE PROVOKING SHARP PROTESTS FROM ITALY.

5. WHILE FARMER UNREST IN SOUTHERN FRANCE CENTERS ON WINE, GOF OFFICIALS FEAR A CONTINUATION OF THIS SITUA-

TION FOR OTHER FRUITS AND VEGETABLES LATER IN THE YEAR  
WHEN IMPORTS FROM SPAIN START CROSSING THE BORDER IN  
LARGE VOLUME.

RUSH

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, BOYCOTTS, CARGO SHIPS, WINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1975  
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**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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